

# **Freight Rail Assistance Application Packet**

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## I. BACKGROUND AND OVERVIEW

### Authorization

The Washington State Legislature authorized the Washington State Department of Transportation (WSDOT) to provide loans and grants to:

- Support branch lines and light density rail lines
- Provide or improve rail access to ports
- Maintain adequate mainline capacity
- Preserve or restore rail corridors and infrastructure

### State Benefits

As required by RCW 47.76, projects must be shown to maintain or improve the freight rail system in the state and benefit the state's interests. Project proposals may be submitted if they include one or more of the following benefits to the state:

- Improve freight mobility
- Increase economic development opportunities
- Increase domestic and international trade
- Preserve or add jobs
- Reduce roadway maintenance and repair costs
- Reduce traffic congestion
- Improve port access
- Enhance environmental protection
- Enhance safety
- Support economic viability of branch lines or light density lines
- Maintain adequate mainline capacity
- Preserve or restore rail corridors and infrastructure

Project examples include:

- Rehabilitate tracks, or restore tracks that were removed
- Upgrade tracks to handle heavier rail cars and/or improve system velocity
- Provide a rail connection to existing industries not currently served by rail
- Develop rail infrastructure that can be proven essential to attract new businesses
- Repair damaged rail infrastructure
- Increase rail system capacity and/or velocity in general
- Preserve a rail corridor
- Improve connections to a port or transload facilities
- Construct transload or other facilities
- Purchase or rehabilitate railroad equipment

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## Application Process

Please submit applications by mail, not by fax. Application packets must be post marked no later than October 16, 2006. Please send completed applications to:

Washington State Department of Transportation  
Office of Freight Strategy and Policy  
PO Box 47322  
Olympia, WA 98504-7322

If you wish to use express or private mail delivery, please send to:

Washington State Department of Transportation  
Office of Freight Strategy and Policy  
310 Maple Park Ave SE, Rm 3D26  
Olympia, WA 98501-2361

Please feel free to call WSDOT freight rail services managers to answer questions or discuss your project and the application process:

Eastern Washington contact:  
Mike Rowswell: 360-705-7930

Western Washington contact:  
Andrew Wood: 360-705-7938

WSDOT will review the applications and submit a prioritized list of project proposals to the Governor's Office of Financial Management by November 30, 2006. The legislature will consider the submitted projects during the 2007 session.

The following criteria will be used to evaluate and prioritize proposals:

25 points	Economic development benefits
15 points	Viability of proposal: financial sustainability
10 points	Financial and/or in-kind participation by local agency, railroad, private companies and other funding sources
10 points	Reduced impacts on roads
10 points	Safety improvements and/or urgent needs
10 points	Preservation of rail corridor
10 points	Reduction of delay on statewide railroad system
05 points	Environmental benefits
05 points	Geographic balance

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## **II. Frequently Asked Questions**

### **Can I protect confidential information?**

All successful applications are subject to public records disclosure laws for the state of Washington. If any information contained in the application is confidential and/or proprietary, please identify those components clearly. Please note that specific information may be marked as proprietary; it is not acceptable to mark the whole application. The state of Washington will protect information to the extent allowable by law. If there is a public records request, the Office of Freight Strategy and Policy will notify the applicant that such information will be released on a specified date. If the applicant wants to keep the information confidential, it is the applicant's responsibility to obtain a court injunction within 10 days of the notice to protect proprietary data. If the applicant fails to obtain the court order prohibiting disclosure, the Office of Freight Strategy and Policy will release the requested information on the date specified.

### **How much money is available?**

The Washington State Legislature allocated \$3.32 million for freight rail assistance projects in 2007–2009. The legislature will determine how those funds will be spent based upon the applications submitted through WSDOT. It may choose to increase or decrease the funding that will actually be made available for the 2007-2009 biennium.

### **Who makes the decision about what projects are funded?**

WSDOT will prioritize the applications using criteria developed by the Department, and send a prioritized list of projects to the Governor's office for determination about which projects to submit to the legislature. The legislature will consider the project recommendations and decide which projects to fund in the upcoming budget. When the budget is passed, the bill is subject to the Governor's acceptance or veto.

### **What does WSDOT staff do with the applications?**

WSDOT staff will review the applications to determine whether they meet the requirements of RCW 47.76, and rate them against the application criteria. Staff may ask the applicant for more information, and may contact shippers, the railroad involved, and others to secure additional information or to verify information already gathered. Staff may visit the project site to verify information or develop further information.

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## **How are loan terms and conditions set?**

Successful project proposals that improve privately-owned railroad property may receive assistance in the form of low interest loans rather than a grant. WSDOT will determine the terms and conditions of loans on a project-by-project basis.

## **What is rail banking?**

Washington State may have an interest in retaining rail lines at risk of abandonment, if they may become economically viable at a future date. If it appears that a line could become economically viable within ten years, the line may be rail banked or purchased by the state to prevent its loss as a rail corridor. A rail banked line may be used as a trail on a temporary basis. Maintenance or other changes on a rail banked line used as a trail must preserve the ability to use the line as a railroad in the future.

## **What is the benefit to cost requirement?**

There is a statutory requirement that all freight rail assistance projects must deliver more benefits than cost. WSDOT staff will evaluate the economic benefits, project viability, safety, roadway preservation, rail system improvements, and environmental benefits of proposed projects, and provide that information along with cost information to the Governor's office and the legislature.

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## III. Application

WSDOT will use the information provided in the application to evaluate and prioritize the project proposal. Please answer each item that applies to your project as thoroughly as possible.

### 1. Contact Information

Include your contact name, title, organization name, address, phone and fax numbers, and e-mail address. List all organizations and companies that are involved in planning, funding, and/or providing in-kind support, or railroad operation service for the proposal and provide contact information for each one.

### 2. Project Description

Please provide an overview of the project in two to three paragraphs, including:

- Existing conditions
- What you are proposing to do
- Where the project is located
- Which railroad(s) will serve the project's customers
- The intended outcome

#### Attachment required with application:

- Detailed vicinity map clearly showing site plan and project limits

### 3. Project Schedule

Please provide actual or target completion date for each milestone:

Project Milestone	Month/Year
Complete project definition	
Begin preliminary engineering	
Complete environmental documentation	
Complete right of way certification (may include acquisition)	
Start construction	
Construction complete and project functionally operational	

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## 4. Project Cost

Provide an estimate of projects costs.

	Design Engineering	Right of Way	Construction Engineering	Construction Other	Construction Contract	Total
Estimated Project Cost						
Committed Local Funds						
Additional Local Funds Requested						
Other Committed Funds						
WSDOT Funds Requested						

### Attachment required with application:

- Estimate of project cost, reviewed and signed by an engineer licensed in the state of Washington.

## 5. Proposed Funding

Indicate funds for the project that are coming from various sources, and indicate if the funds are cash payments or benefits in kind.

Funding Source	Public or Private	Cash or In-Kind	Amount
Local - Port District			
Local - Other			
Railroad			
WSDOT	Public		
Federal Funds	Public		
Other			
Total			

### Attachment required with application:

- Funding commitment letters from all funding partners.

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## 6. Reduced Road Impacts

Provide the number of rail cars shipped on the project-impacted segment of the railroad line in years 2000-2005. Provide type/weight of rail cars, if known.

Provide an estimate of the total number of rail cars that will be shipped over the affected rail line segment for years 2007 - 2012 if the project is built.

How much of that additional rail traffic is currently transported by trucks? What route do those trucks follow? Please give route names and mileposts.

How many rail cars will be diverted to truck transport if the project is not completed? What route will those trucks follow? Please give route names and mileposts.

## 7. List of Shippers

Provide a list of shippers that use the rail line or rail-related facility today, and the number of rail carloads shipped by each shipper using that segment in 2005.

Provide a list of shippers that will use the rail line if the project is completed, and the estimated total number of rail cars each will ship.

Include a contact person's name, title, company name, email address and phone number for each current and prospective shipper.

## 8. Safety and/or Urgent Need

Describe existing hazard(s) within the project limits and how the proposed project improves safety.

Explain any special issues that create an urgent need. Examples of urgent projects might include:

- Repairs to a tunnel wall that has started to bulge
- Provision of a temporary trestle while a bridge is repaired

An urgent need can also be created by special factors that would greatly increase the cost of the project if delayed two years or more. Routine inflation is not considered.

Examples of special factors include:

- If a bridge is not repaired, it may become unusable within the two-year period and have to be entirely replaced.
- A rail line needs to be built in conjunction with a road or other construction project. Without coordinated construction, the rail project will be dramatically more expensive in the future.



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## 9. Reducing Systemwide Rail Delays

Please explain how the proposal will eliminate or reduce overall rail system delays.

Examples of delay reduction:

- Realignment of rail track to increase speeds on the main line or at junctions.
- Provision of a longer run-around loop to avoid a train having to be split to be run-around.
- Lengthen sidings to enable a facility to receive longer trains and avoid the end of the train standing foul of the main line until removed by a switching locomotive.

## 10. Preservation of Rail Line

Explain how your project proposal will preserve service on the line if the rail line is at-risk of immediate abandonment.

Will the proposed project restore service on an inactive rail line?

## 11. Environmental Impacts

Please explain environmental benefits delivered by the project.

## 12. Geographical Balance and Support for Regional Economies

Is the project in a county listed as economically depressed by the Washington State Department of Community, Trade and Economic Development (CTED)? If the project is not in one of the listed counties, but the rail line on which the project is located runs through one of them, detail any positive economic benefits that would accrue to the depressed county.

## 13. Project Business Plan

**Management profile.** Provide a profile of management experience and results, education and training, for rail operators (and port or regional entity project managers, if applicable.)

**Marketing plan.**

- What new and/or extended freight services will the rail operator, port or local government provide as a result of this plan?
- Where and when will the service be offered?
- Provide a profile of types of customers that will find value in the new/extended services.
- What additional value will customers derive from this plan?

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- What will differentiate this freight service from regional competition? Include an analysis of substitute competition such as truck and barge.
- Profile current and future demand in rail-dependent sector served in market area (grain, industrial, intermodal, timber/wood products, etc.).
- Provide action plan to reach rail carload sales projections.
- Provide action plan to check results quarterly and adjust marketing plan to actuals.

## **Operations plan.**

Provide operations plan for rail services to be provided upon completion of proposed project, including:

- Service schedule: operational hours. What services will be provided?
- Service outline/interchange plan between shortline and mainline railroad
- Switching operations plan, if applicable
- Key personnel contacts; emergency contacts
- Action plan indicating suggested service metrics and how the company will report actual performance against service metrics
- Personnel, training and certification plan
- Safety plan
- Track structure maintenance plan

## **Financial plan.**

### **Attachments required with application:**

- Income statements, cash flow statements and balance sheets for years 2003 – 2005.
- Proformas for 2007, 2008 and 2009 assuming that the project is funded.

## **14. Economic Development Benefits**

Please state how many long-term jobs will be created by the project and the anticipated employment growth over a five year period. In the alternative, state how many long-term jobs will be lost if the project is not constructed.

What is the current payroll of jobs that will be preserved by completing this project?  
What is the projected payroll of jobs that would be created, both on the railroad and in the industries it would serve?

For each group of jobs that will be sustained or created, please provide the name of a contact person, the company's name, and a phone number; see shippers list.

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Shipper savings. If this project is constructed please explain the impacts on rail-dependant shippers, existing and potential. How much would shippers save in freight charges, if any? Explain the current method of shipping, how that would change, and what the rates are for the current and prospective methods.

## **15. Additional Comments**

Please provided any other information or reasoning that you would like considered in support of your project.

## **Check List of Required Attachments:**

1. Detailed project vicinity map clearly showing site plan and project limits.
2. Estimate of project cost, reviewed and signed by an engineer licensed in the state of Washington.
3. Funding commitment letters from all funding partners.
4. Rail operations income statements, cash flow statements and balance sheets for years 2003 – 2005; proformas for 2007, 2008 and 2009 assuming that the project is funded.